GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Industries & Commerce Department – Amendment to Andhra Pradesh Textile, Apparel and Garments Policy 4.0 (2024-29) – Adoption of new Classification of MSMEs as per Gazette Notification of Government of India to be applicable w.e.f 01.04.2025 - Orders – Issued.

INDUSTRIES & COMMERCE (PROGRAMME – II) DEPARTMENT

G.O.MS.No. 109 Dated: 27-06-2025

Read the following:

1. G.O.Ms. No.89, Ind. & Com (Prog-II) Department, Dt:11-12-2024.
2. G.O.Ms. No.24, Ind. & Com (Prog-II) Department, Dt:17-02-2025.
3. Gazette Notification, Dt:21.03.2025 of Government of India.

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ORDER:

In the G.O 1st read above, Government has introduced Andhra Pradesh Textile, Apparel and Garments Policy 4.0 (2024-29) to capture latent potential in textiles value chain and support weaving, knitting, preparatory processing, technical textiles and integrated units and announced competitive and best package of incentives to Textile and related industries.

2. In the G. O 2nd read above, Government have made certain amendments to the *"Andhra Pradesh Textile, Apparel and Garments Policy 4.0 (2024-29)"* issued vide G.O.Ms.No.89, I&C (Prog.II) Dept., dt:11-12-2024.

3. In the reference 3rd read above, Government of India made amendments regarding classification of MSMEs w.r.t Investment and Turnover, **to be applicable w.e.f 01.04.2025** and accordingly, proposals have been received from Director of Industries for the adoption of the revised classification of MSMEs w.r.t investment and turnover for the manufacturing sectors as far as various policies are concerned, **to be applicable w.e.f 01.04.2025**.

4. Government after careful examination, issue the following amendments to Andhra Pradesh Textiles, Apparel and Garments Policy 4.0 (2024-29) issued {vide ref-1 cited above read with ref-2 cited above}, duly adopting the new classification of MSMEs as per Gazette Notification of Government of India on 21.03.2025, **to be applicable w.e.f 01.04.2025.**

(i) **Content - 5 i.e., Financial Incentives of G.O 1st read above and Para-5 of G.O 2nd read above shall read as follows:**

Amendment proposed to the MSME in TAG 4.0							
	Micro		Small		Medium		Large
Slab	**Slab -I**	**Slab -II**	**Slab -I**	**Slab -II**	**Slab -I**	**Slab -II**	
Investment limit	Upto ₹1 Cr	Above ₹1 Cr upto ₹2.5 Cr	above ₹2.5 Cr upto ₹10 Cr	above ₹10 Cr upto ₹25 Cr	above ₹25 Cr upto₹50 Cr	Above ₹50 Cr upto ₹125 Cr	Above ₹125 Cr upto ₹200 Cr
Capital Subsidy	30% of FCI (Cap-₹30 Lakhs) on 1st invoice in 2 yrs	30% of FCI (Cap - ₹ 75 lakhs) on 1st invoice in 3 yrs	30% of FCI (Cap - ₹3 Cr) on 1st invoice in 3 yrs	30% of FCI (Cap- ₹ 7 Cr) on 1st invoice in 4 yrs	30% of FCI (Cap -₹ 10 Cr) on 1st invoice in 4 yrs	20% of FCI (Cap -₹ 20 Cr) on 1st invoice in 4 yrs	25% of FCI (Cap -₹ 50 Cr) on 1st invoice in 5 yrs
Tech upgradation/ expansion cost	30% of FCI (Cap - ₹30 Lakhs) 1st invoice in 2 yrs	30% of FCI (Cap - ₹ 75 lakhs) 1st invoice in 3 yrs	30% of FCI (Cap - ₹2 Cr) on 1st invoice in 3 yrs	30% of FCI (Cap - ₹5 Cr) on 1st invoice in 4 yrs	30% of FCI (Cap - ₹7.5 Cr) on 1st invoice in 4 yrs	20% of FCI (Cap -₹ 15 Cr) on 1st invoice in 4 yrs	Nil
Power cost reimbursement	₹ 2 per unit for 5 yrs from DCP (annual cap – ₹2 Lakh)	₹ 2 per unit for 5 yrs from DCP (annual cap – ₹5 Lakhs)	₹2 per unit for 5 yrs from DCP (annual cap – ₹10 Lakhs)	₹2 per unit for 5 yrs from DCP (annual cap – ₹20 Lakhs)	₹2 per unit for 5 yrs from DCP (annual cap – ₹30 Lakhs)	₹2 per unit for 2 yrs from DCP (annual cap – ₹1 Cr)	₹2 per unit for 2 yrs from DCP (annual cap – ₹2 Cr)
Electricity Duty Reimbursement	50% of ED cost for 5 yrs (Annual Cap ₹1 Lakh	50% of ED cost for 5 yrs (Annual Cap ₹2.5 Lakh	50% of ED cost for 5 yrs (Annual Cap ₹5 Lakh	50% of ED cost for 5 yrs (Annual Cap ₹10 Lakh	50% of ED cost for 5 yrs (Annual Cap ₹15 Lakh	50% of ED cost for 5 yrs (Annual Cap ₹50 Lakh	50% of ED cost for 5 yrs (Annual Cap ₹1 Cr

Skill upgradation cost	₹5,000 per person for max. of 10 persons	₹10,000 per person for max. of 20 persons	₹10,000 per person for max. of 20 persons	100% of Employer contribution to EPF (Cap - ₹1 Lakh per annum) for 3 yrs	100% of Employer contribution to EPF (Cap - ₹1 Lakh per annum) for 3 yrs	Nil	
Energy & water audit cost	75% of cost (Water audit cap ₹1Lakh | Energy audit cap ₹2Lakh) during policy period	75% of cost (Water audit cap ₹1Lakh | Energy audit cap ₹2Lakh) during policy period	75% of cost (Water audit cap ₹1Lakh | Energy audit cap ₹2Lakhs) during policy period	75% of cost (Water audit cap ₹1Lakh | Energy audit cap ₹2Lakhs) during policy period	75% of cost (Water audit cap ₹1Lakh | Energy audit cap ₹2Lakh) during policy period	Nil	Nil
	25% of cost of equipment as per auditing, Cap - ₹20Lakhs	25% of cost of equipment as per auditing, Cap - ₹40Lakhs	25% of cost of equipment as per auditing, Cap - ₹40Lakhs	25% of cost of equipment as per auditing, Cap - ₹50Lakhs	25% of cost of equipment as per auditing, Cap - ₹50Lakh		
Local procurement subsidy	1% annual turnover for 3 yrs (Max cap – ₹15 Lakhs)	1% annual turnover for 3 yrs (Max cap – ₹1.5 Cr)	1% annual turnover for 3 yrs (Max cap – ₹1.5 Cr)	1% annual turnover for 3 yrs (Max cap – ₹7 Cr)	1% annual turnover for 3 yrs (Max cap – ₹2 Cr)	1% annual turnover for 3 yrs (Max cap – ₹2 Cr)	1% annual turnover for 3 yrs (Max cap – ₹2 Cr)
Quality Certification cost top-up	Balance of GoI subsidy to cover 100% cost	Balance of GoI subsidy to cover 100% cost	Balance of GoI subsidy to cover 100% cost	Balance of GoI subsidy to cover 100% cost	Balance of GoI subsidy to cover 100% cost	Nil	Nil

Capital Subsidy for Women/ BC/SC/ST/ Minority/ Specially Abled/ Transgender – 45% for MSEs | 45% for Medium (Slab-I) | 25% For Medium (Slab-II) as per TAG 4.0 (2024-29).

(ii) **Revised applicable Incentives for special category enterprises as per "Andhra Pradesh Textiles, Apparel & Garments Policy (4.0) 2024-29.**

Amendment proposed to the MSME in TAG 4.0							
	Micro		**Small**		**Medium**		**Large**
Slab	**Slab -I**	**Slab -II**	**Slab -I**	**Slab -II**	**Slab -I**	**Slab -II**	
Investment limit	Upto ₹1 Cr	Above ₹1 Cr upto ₹2.5 Cr	Above ₹2.5 Cr upto ₹10 Cr	Above ₹10 Cr upto ₹25 Cr	Above ₹25 Cr upto₹50 Cr	Above ₹50 Cr upto ₹125 Cr	Above ₹125 Cr upto ₹200 Cr
Capital Subsidy	45% of FCI (Cap-₹45 Lakhs) on 1st invoice in 2 yrs	45% of FCI (**Cap - ₹ 75 lakhs)** on 1st invoice in 3 yrs	45% of FCI (Cap - ₹3 Cr) on 1st invoice in 3 yrs	45% of FCI **(Cap ₹- 7 - Cr)** on 1st invoice in 4 yrs	45% of FCI (Cap -₹ 10 Cr) on 1st invoice in 4 yrs	25% of FCI **(Cap -₹ 20 Cr)** on 1st invoice in 4 yrs	30% of FCI **(Cap -₹ 50 Cr)** on 1st invoice in 5 yrs
Tech upgradation/ expansion cost	45% of FCI (Cap - ₹45 Lakhs) 1st invoice in 2 yrs	45% of FCI (**Cap ₹ 75 lakhs**) 1st invoice in 3 yrs	45% of FCI (Cap - ₹2 Cr) on 1st invoice in 3 yrs	45% of FCI **(Cap - ₹5 Cr)** on 1st invoice in 4 yrs	45% of FCI (Cap - ₹7.5 Cr) on 1st invoice in 4 yrs	25% of FCI **(Cap -₹ 15 Cr)** on 1st invoice in 4 yrs	Nil
Power cost reimbursement	₹ 2 per unit for 5 yrs from DCP (annual cap – ₹2 Lakh)	₹ 2 per unit for 5 yrs from DCP (**annual cap – ₹5 Lakhs**)	₹2 per unit for 5 yrs from DCP (annual cap – ₹10 Lakhs)	₹2 per unit for 5 yrs from DCP (**annual cap – ₹20 Lakhs**)	₹2 per unit for 5 yrs from DCP (annual cap – ₹30 Lakhs)	₹2 per unit for **2 yrs** from DCP (annual cap – ₹1 Cr)	₹2 per unit for **2 yrs** from DCP (annual cap – ₹2 Cr)
Electricity Duty Reimbursement	50% of ED cost for 5 yrs (Annual Cap ₹1 Lakh	50% of ED cost for 5 yrs (Annual Cap ₹2.5 Lakh	50% of ED cost for 5 yrs (Annual Cap ₹5 Lakh	50% of ED cost for 5 yrs (Annual Cap ₹10 Lakh	50% of ED cost for 5 yrs (Annual Cap ₹15 Lakh	50% of ED cost for 5 yrs (Annual Cap ₹50 Lakh	50% of ED cost for 5 yrs (Annual Cap ₹1 Cr

Skill upgradation cost	₹5,000 per person for max. of 10 persons	₹10,000 per person for max. of 20 persons	₹10,000 per person for max. of 20 persons	100% of Employer contribution to EPF (Cap - ₹1 Lakh per annum) for 3 yrs	100% of Employer contribution to EPF (Cap - ₹1 Lakh per annum) for 3 yrs	Nil	
Energy & water audit cost	75% of cost (Water audit cap ₹1Lakh | Energy audit cap ₹2Lakh) during policy period	75% of cost (Water audit cap ₹1Lakh | Energy audit cap ₹2Lakh) during policy period	75% of cost (Water audit cap ₹1Lakh | Energy audit cap ₹2Lakhs) during policy period	75% of cost (Water audit cap ₹1Lakh | Energy audit cap ₹2Lakhs) during policy period	75% of cost (Water audit cap ₹1Lakh | Energy audit cap ₹2Lakh) during policy period	Nil	Nil
	25% of cost of equipment as per auditing, Cap - ₹20Lakhs	25% of cost of equipment as per auditing, Cap - ₹40Lakhs	25% of cost of equipment as per auditing, Cap - ₹40Lakhs	25% of cost of equipment as per auditing, Cap - ₹50Lakhs	25% of cost of equipment as per auditing, Cap - ₹50Lakh		
Local procurement subsidy	1% annual turnover for 3 yrs (Max cap – ₹15 Lakhs)	1% annual turnover for 3 yrs (Max cap – ₹1.5 Cr)	1% annual turnover for 3 yrs (Max cap – ₹1.5 Cr)	1% annual turnover for 3 yrs (Max cap – ₹7 Cr)	1% annual turnover for 3 yrs (Max cap – ₹2 Cr)	1% annual turnover for 3 yrs (Max cap – ₹2 Cr)	1% annual turnover for 3 yrs (Max cap – ₹2 Cr)
Quality Certification cost top-up	Balance of GoI subsidy to cover 100% cost	Balance of GoI subsidy to cover 100% cost	Balance of GoI subsidy to cover 100% cost	Balance of GoI subsidy to cover 100% cost	Balance of GoI subsidy to cover 100% cost	Nil	Nil

5. The incentives along with above mentioned amendments to Andhra Pradesh Textiles, Apparel and Garments Policy 4.0 (2024-29) will be extended to the eligible industries for their investments made w.e.f 01.04.2025 and necessary modifications in the Operational Guidelines shall be notified separately.

6. The Director of Industries, Andhra Pradesh shall take necessary action accordingly and publish a revised Andhra Pradesh Textiles, Apparel and Garments Policy 4.2 (duly updating the amendments so far made) and take necessary action to publish the updated Operational Guidelines for the investments made till 31.03.2025 and beyond 01.04.2025 for better clarify to the investors in the State.

7. This order issues with the concurrence of the Finance Department vide U.O.No.FIN01-FMU0ASD(IC)/10/2025 (Computer No.2874425).

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N YUVARAJ
SECRETARY TO GOVERNMENT

To
The Director of Industries, A.P., Mangalagiri.
The Commissioner of Handlooms & Textiles, Mangalagiri, Guntur District.
The Vice Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation, Mangalagiri, Guntur.
The Director of Mines and Geology, Ibrahimpatnam, Vijayawada.
The Managing Director, Andhra Pradesh State Financial Corporation, Tadepalli, Guntur.
The Principal Finance Secretary, AP Secretariat, Velagapudi.
The Secretary to Government, Finance Department
The Secretary to Government, Social Welfare Department.
The Secretary to Government, Tribal Welfare Department
The Special Chief Secretary to Government, Revenue (CT/LA) Department.
The Special Chief Secretary to Government, Irrigation & CAD (Reforms)Department.
The Special Chief Secretary to Government, Energy Department.
The Special Chief Secretary to Government, EFS&T Department.
The Secretary to Government, l&l Department.

Copy to:
The LFB&IMS Department.
The Accountant General, Andhra Pradesh, Hyderabad
The Convener, State Level Banker's Committee.
The General Manager, Small Industry Development Bank of India, (SIDBI)
The Pay and Accounts Officer, Mangalagiri.
The D.T.A, Mangalagiri
All the Secretariat Departments, Velagapudi.
All District Collectors through Director of Industries, Mangalagiri.

All Heads of Departments through Director of Industries, Mangalagiri.
All Departments of Secretariat, Velagapudi.
All Govt. Companies/Corporations through Director of Industries,Mangalagiri.
The P.S. to Secretary to Chief Minister, Andhra Pradesh.
The P.S. to Chief Secretary to Government, Andhra Pradesh.
The P.S to Hon'ble Minister for H&T.
All Private Secretaries to the Ministers.
All General Managers, District Industries Centre in the State through the Director of Industries, Mangalagiri.
All Sections in the ind. & Com. Department.
SF/SC.

//FORWARDED BY ORDER//

SECTION OFFICER